

Santa Cruz County Economic Forecast

Santa Cruz County is located on the central coast of California. The county borders Monterey County to the south, San Mateo County to the north, and Santa Clara County to the east. Santa Cruz County has a population of 260,240 people and 100,600 wage and salary jobs. The per capita income in the county is \$38,290, and the average salary per worker is \$39,300.

In 2004, just under 300 total wage and salary jobs were created in Santa Cruz County, representing an increase in employment of 0.3 percent. Non-farm employment created 1,300 jobs. This represents an increase in employment of 1.4 percent. The farm sector lost approximately 1,000 jobs—a decline of 12.1 percent. The unemployment rate fell to 7.2 percent in 2004.

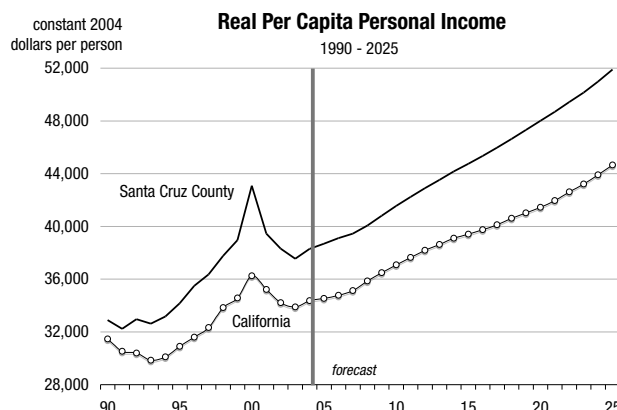
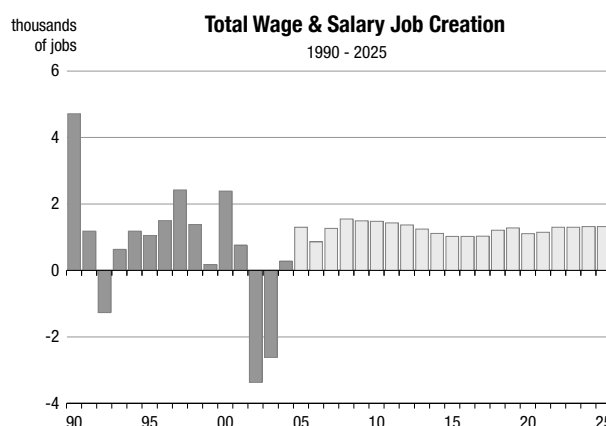
The principal sectors that are producing jobs in Santa Cruz County are the construction, trade, and government sectors. Each of these sectors created 500 or more jobs in 2004. Several sectors experienced large declines in employment in 2004. Financial activities, information, and education and healthcare services each lost 150 or more jobs. Many of the government jobs are associated with the University of California located in Santa Cruz.

During 2004, the population grew in Santa Cruz County at a rate of 0.6 percent. The fastest growing cities in the county are Watsonville and Santa Cruz, which rose 3.2 and 0.8 percent respectively, from January 2004 to January 2005. The largest city in the county is Santa Cruz with a population of 56,450.

Employment growth will increase over the forecast period. Most of the growth will occur in the non-farm sector. The population will continue to grow at a modest rate over the forecast, but virtually all of the growth will be due to the natural increase, rather than net migration.

Forecast Highlights

- Non-farm job growth is forecast to increase in 2005 to 1.3 percent. Job growth is expected to continue to rise over the next five years, averaging 1.3 percent per year. Farm employment is forecast to decline an average of 1.0 percent per year between 2005 and 2010.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 0.8 percent per year over the next 5 years.
- Between 2005 and 2010, the momentum for employment growth occurs in education and healthcare services, leisure services, and government. These sectors account for 66 percent of all jobs created in the county over the next five years.

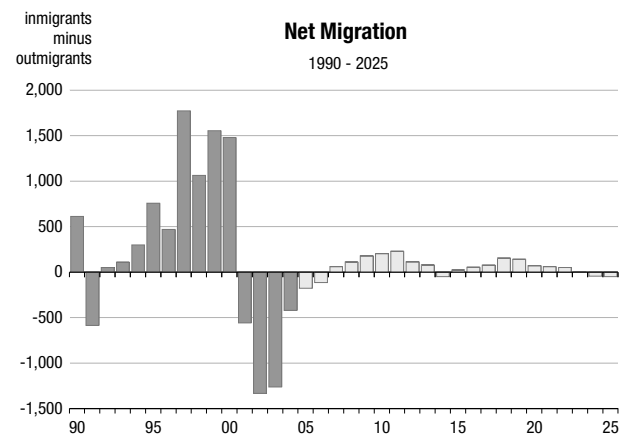
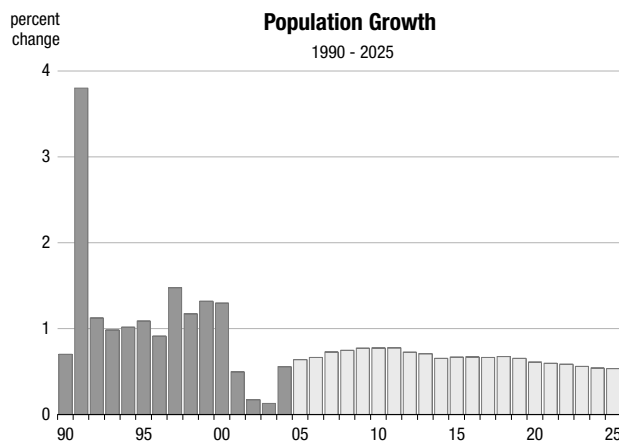


- Population growth will remain modest over the foreseeable future. Annual growth in the 2005 to 2010 period averages 0.7 percent per year. Average growth in the state during this same period is 1.5 percent per year.
- Net migration will remain negative in 2005, forecast at -200. Over the next five years net migration is expected to turn positive, but will still average less than 100 net migrants per year.
- Real per capita income is forecast to increase 1.0 percent in 2005. Over the next five years this growth rate will increase, with real per capita income increasing an average of 1.4 percent per year.
- Industrial production is forecast to increase 0.8 percent in 2005. Over the next five years the growth rate of industrial production will increase, with total production rising 3.4 percent per year. Total crop production is expected to increase an average of 0.1 percent per year between 2005 and 2010.

Santa Cruz County Economic Forecast

1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	241,200	758	204.3	86.3	503	\$1.9	\$6.3	\$34,161	2.0	308.2	0.97	9.3
1996	243,400	470	208.3	86.6	536	\$2.1	\$6.7	\$35,493	2.3	312.7	1.04	8.6
1997	247,000	1,774	200.2	86.9	751	\$2.3	\$7.2	\$36,355	3.4	345.5	1.10	7.9
1998	249,900	1,066	214.8	87.5	639	\$2.4	\$7.9	\$37,771	3.2	277.2	1.07	7.4
1999	253,200	1,556	219.6	88.0	506	\$2.6	\$8.6	\$38,950	4.2	356.3	1.08	6.4
2000	256,488	1,482	227.3	91.1	587	\$2.9	\$10.0	\$43,075	4.5	388.3	1.15	5.3
2001	257,764	-558	232.6	91.5	602	\$2.9	\$9.7	\$39,452	5.4	382.2	1.00	5.9
2002	258,211	-1,331	236.4	92.0	922	\$2.8	\$9.6	\$38,303	1.6	297.6	0.89	7.6
2003	258,549	-1,261	231.6	92.4	1,202	\$2.8	\$9.6	\$37,548	1.8	375.5	0.90	8.0
2004	259,990	-419	244.7	93.3	804	\$2.9	\$10.0	\$38,287	1.2	355.6	0.96	7.2
2005	261,656	-177	247.5	93.8	897	\$3.1	\$10.3	\$38,684	1.7	341.9	0.97	7.1
2006	263,398	-114	250.2	94.7	821	\$3.2	\$10.8	\$39,104	2.7	337.0	0.98	7.2
2007	265,320	62	253.0	95.6	818	\$3.3	\$11.3	\$39,442	2.6	337.7	1.02	7.2
2008	267,306	112	255.6	96.5	802	\$3.5	\$11.8	\$40,064	2.6	336.6	1.06	7.1
2009	269,371	179	258.3	97.3	796	\$3.6	\$12.4	\$40,799	2.5	339.6	1.10	7.2
2010	271,458	204	260.8	98.2	794	\$3.8	\$13.1	\$41,548	2.7	342.7	1.15	7.2
2011	273,571	230	263.4	99.0	791	\$3.9	\$13.8	\$42,238	2.7	343.3	1.19	7.1
2012	275,559	114	265.9	99.9	793	\$4.1	\$14.5	\$42,893	2.8	344.9	1.24	6.9
2013	277,514	80	268.3	100.7	778	\$4.3	\$15.3	\$43,530	2.9	347.5	1.29	6.7
2014	279,331	-49	270.8	101.5	764	\$4.5	\$16.0	\$44,169	2.9	349.2	1.35	6.6
2015	281,200	25	273.2	102.3	761	\$4.7	\$16.9	\$44,745	3.1	351.2	1.39	6.6
2016	283,087	54	275.5	103.1	752	\$4.9	\$17.7	\$45,339	3.0	353.4	1.44	6.6
2017	284,974	77	277.8	103.9	757	\$5.1	\$18.6	\$45,964	2.9	352.9	1.48	6.7
2018	286,905	155	280.1	104.7	775	\$5.3	\$19.5	\$46,629	2.7	354.2	1.54	6.7
2019	288,783	142	282.3	105.6	778	\$5.5	\$20.5	\$47,320	2.8	355.9	1.60	6.7
2020	290,546	71	284.5	106.4	777	\$5.7	\$21.5	\$48,005	2.7	357.2	1.65	6.6
2021	292,283	62	286.7	107.2	761	\$6.0	\$22.5	\$48,686	2.6	356.4	1.70	6.5
2022	293,999	52	288.8	108.0	756	\$6.2	\$23.6	\$49,442	2.6	358.1	1.75	6.5
2023	295,651	3	290.9	108.8	732	\$6.5	\$24.7	\$50,154	2.7	357.4	1.82	6.5
2024	297,252	-44	292.9	109.6	720	\$6.8	\$25.9	\$50,978	2.7	359.8	1.90	6.4
2025	298,849	-48	295.0	110.4	713	\$7.1	\$27.2	\$51,902	2.7	361.4	1.97	6.4



Santa Cruz County Employment Forecast

1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1995	97.7	11.7	3.06	10.1	1.32	15.5	3.18	9.9	2.56	10.1	10.1	16.7
1996	99.2	11.7	3.22	10.7	1.41	15.2	3.13	10.2	2.43	10.1	10.4	16.9
1997	101.6	11.2	3.43	10.8	1.51	16.1	3.39	10.7	2.15	10.3	10.4	17.6
1998	103.0	11.0	3.79	9.9	1.53	16.8	3.54	10.5	2.40	10.5	10.8	18.0
1999	103.2	9.1	4.22	9.5	1.46	17.2	3.76	10.9	2.43	10.4	11.1	18.8
2000	105.6	8.3	4.53	9.3	1.44	17.6	4.11	11.7	2.57	10.6	11.5	19.5
2001	106.3	7.8	4.88	8.9	1.67	17.4	3.88	11.4	2.61	11.0	12.1	20.2
2002	102.9	8.3	4.81	7.5	1.55	16.9	3.78	9.9	2.19	11.7	11.6	20.7
2003	100.3	8.5	4.82	6.9	1.47	16.5	3.80	9.0	1.98	11.9	11.4	20.3
2004	100.6	7.5	5.38	7.2	1.43	17.0	3.64	8.9	1.83	11.7	11.3	20.9
2005	101.9	7.4	5.65	7.1	1.45	17.3	3.69	9.2	1.76	11.9	11.6	20.9
2006	102.8	7.3	5.83	7.1	1.46	17.4	3.73	9.4	1.74	12.1	11.8	21.0
2007	104.0	7.2	5.94	7.0	1.50	17.6	3.73	9.5	1.73	12.6	12.0	21.2
2008	105.6	7.2	6.01	7.0	1.55	17.7	3.75	9.6	1.72	13.1	12.3	21.5
2009	107.1	7.1	6.05	6.9	1.59	17.9	3.78	9.8	1.72	13.4	12.4	22.0
2010	108.6	7.0	6.09	6.9	1.63	18.0	3.83	10.0	1.72	13.8	12.6	22.5
2011	110.0	6.9	6.13	6.9	1.66	18.2	3.88	10.2	1.72	14.2	12.8	22.9
2012	111.4	6.8	6.16	7.0	1.69	18.4	3.91	10.3	1.72	14.5	13.0	23.3
2013	112.6	6.7	6.16	7.0	1.72	18.5	3.96	10.4	1.72	14.8	13.1	23.7
2014	113.7	6.6	6.14	7.0	1.75	18.7	3.99	10.5	1.72	15.1	13.2	24.1
2015	114.8	6.5	6.12	7.0	1.78	18.9	4.04	10.6	1.72	15.4	13.4	24.4
2016	115.8	6.4	6.10	7.0	1.81	19.1	4.08	10.6	1.72	15.7	13.6	24.7
2017	116.8	6.3	6.09	7.0	1.84	19.2	4.13	10.6	1.72	16.1	13.7	25.1
2018	118.1	6.2	6.11	7.0	1.87	19.4	4.17	10.6	1.72	16.5	13.9	25.5
2019	119.3	6.1	6.14	7.1	1.91	19.6	4.21	10.6	1.72	16.9	14.0	25.9
2020	120.4	6.0	6.16	7.0	1.94	19.8	4.24	10.7	1.72	17.3	14.1	26.2
2021	121.6	5.9	6.16	7.0	1.97	20.0	4.28	10.7	1.72	17.8	14.1	26.6
2022	122.9	5.8	6.15	7.1	2.00	20.1	4.31	10.7	1.72	18.2	14.2	27.0
2023	124.2	5.7	6.12	7.3	2.03	20.3	4.36	10.8	1.72	18.7	14.2	27.4
2024	125.5	5.6	6.09	7.4	2.06	20.5	4.40	10.8	1.72	19.2	14.3	27.8
2025	126.9	5.5	6.07	7.6	2.09	20.7	4.44	10.9	1.72	19.6	14.3	28.2

